



DEFENSE LOGISTICS AGENCY
THE DEFENSE CONTRACT MANAGEMENT COMMAND
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IN REPLY
REFER TO

AQOC

OCT 20 1996


MEMORANDUM FOR COMMANDERS, DEFENSE CONTRACT MANAGEMENT
DISTRICTS

SUBJECT: DCMC Memorandum 96-64, Guidance on Processing Single Process
Initiative (**SPI**) Concept Papers Involving **Cancelled** Military Specifications
and Standards (INFORMATION)

This is an **INFORMATION** memorandum. Target Audience: All **DCMC**
Management Councils.

Attached is a September 10, 1996 memorandum issued by the **Office** of the Under
Secretary of Defense (Acquisition & Technology) Defense Standards Improvement
Council concerning **SPI** and the treatment of **military** specifications and standards that
have been **cancelled** without replacement, but are still included in current contracts. In
summary, the memorandum stipulates that cancellation of a specification or standard
without replacement does not itself constitute removal from existing contracts in which it
is cited as a requirement. As such, contractors may use **SPI** as a vehicle for eliminating or
replacing these **cancelled** requirements when appropriate. Management Councils should
be **mindful** of this when processing **SPI** concept papers involving **cancelled** specifications
and standards.

Questions on this matter should be directed to the **SPI** Team Leader, Ms. **Marialane**
Schultz. She can be reached at (703) 767-2471 or **DSN** 427-2471. Her **internet** address
is marialane_schultz@hq.dla.mil.


JILL E. PETTIBONE
Executive Director
Contract Management Policy

Attachment



ACQUISITION AND
TECHNOLOGY

OFFICE OF THE UNDER SECRETARY OF DEFENSE

3000 DEFENSE PENTAGON
WASHINGTON DC 20301-3000



10 SEP 1996

MEMORANDUM FOR COMPONENT STANDARDS IMPROVEMENT EXECUTIVES

SUBJECT: Changes to Process Standards Canceled Without
Replacement on Existing Contracts Under the Single
Process Initiative

A guiding principle of specification and standards reform is to leave manufacturing and management processes to the contractor's discretion. This gives the contractor flexibility to determine how to do business and, in the end, will eliminate costs associated with unnecessary activity. With this in mind, the Defense Standards Improvement Council canceled a number of process standards without replacement. In implementing the Single Process Initiative some have questioned what action is appropriate for removing military specifications or standards which have been canceled without replacement, but which are cited as requirements on existing contracts.

First, it is important to recognize that the Council's cancellation action by itself, does not affect existing contracts. The Single Process Initiative offers the opportunity for the contractor to take action to eliminate these canceled standards. It is inappropriate for the government to dictate to industry a replacement process standard for existing contracts. For process standards canceled without replacement, it is the responsibility of the contractor to re-examine each affected process and determine the correct course of action. The contractor's options include:

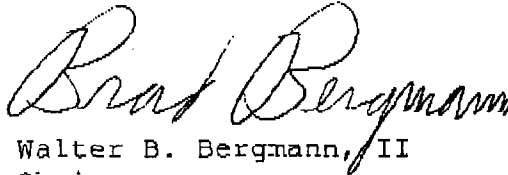
- Replace with a product performance requirement
- Replace with a non-government standard
- Replace with a contractor-defined process
- Delete the canceled specification or standard from the contract without replacement

When the contractor proposes process changes on existing contracts under the Single Process Initiative, the government's contractual role is to review the proposal to ensure that contractor performance and product performance risks are acceptable. The contractor must, of course, provide evidence, e.g., process maturation metrics, demonstrating an acceptable



risk level for the proposed change. A key factor that government representatives must consider is that complete elimination of any reference to a process requirement in the contract may be an acceptable alternative. Our new paradigm of leaving processes to contractor discretion demands careful consideration of when it is absolutely essential that the government both dictate and control manufacturing processes, and to avoid such intervention whenever possible.

Please use this guidance in responding to contractor Single Process Initiative proposals.

A handwritten signature in black ink, reading "Walter B. Bergmann, II". The signature is fluid and cursive, with the first name "Walter" and last name "Bergmann" being more prominent, and "II" written as a superscript.

Walter B. Bergmann, II
Chairman,
Defense Standards Improvement Council

CC: DUSD(AR)
DUSD(IA&I)
DDP
DTSE&E